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STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

(406) 444-1432 FAX

BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%	$13.97 /CWT

EFFECTIVE AUGUST 1, 1999:

The minimum price to pay milk producers, under ARM 32.24.301, is $13.97 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of fifteen cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be $1.50.

CLASS I BUTTERFAT PRICE PER POUND	$1.50 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%	$12.59 /CWT

Average spray process dry milk solids price per pound	=	$1.02250		
Multiplied by 8.2	x	8.2		
		$8.38450		$8.38450
PLUS +				
Last quote of the month for Grade AA butter minus a differential of $.0895		$1.28050		
Multiplied by 4.2	x	4.2		
		$5.37810	+	$5.37810
				$13.76260
LESS 8.5% (	$13.76260	X .085)	-	$1.16982
				$12.59278

Rounded to the nearest whole cent $12.59 /hundredweight.

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CLASS II BUTTERFAT PRICE PER POUND **$1.40 /LB**

Butterfat differential	$1.28050	X .111)	=	$0.14214
Rounded to the nearest half cent			=	$0.140

CLASS II VALUE OF ONE POUND OF SKIM **0.079689119 /LB**

Butterfat value per pound for milk at 3.5% test:	$1.40			
Hundredweight price of milk testing 3.5%			=	$12.59
LESS 3.5 pounds of butterfat at	$1.40	per pound	-	$4.900
Value of 96.5 pounds of skim			=	$7.690
Value of one pound of skim	7.690	/ 96.5 pounds)	=	$0.07969 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND **$1.15 /LB**

Last quote of the month for Grade AA butter minus a difference of $.0895	=	$1.28050	
LESS 10%	-	$0.12805	
		$1.15245	
Rounded to the nearest whole cent		$1.15	per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED 6.95913 /CWT

Avg. spray process dry milk solid price/lb		$1.02250	
Multiplied by 8.2		8.2	
		$8.38450	
LESS 17%		$1.42537	
		$6.95913	
Rounded to the nearest whole cent		$6.96	per hundredweight.

CLASS III PRICE PER CWT FOR MILK TESTING 3.5% **$10.74 /CWT**

3.5 pounds of butterfat	$1.15	per pound =	$4.025
96.5 pounds of skim	$0.06959	per pound =	$6.715
			$10.740 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz

Marlys M. Koontz, Program Specialist
Montana Milk Control Bureau

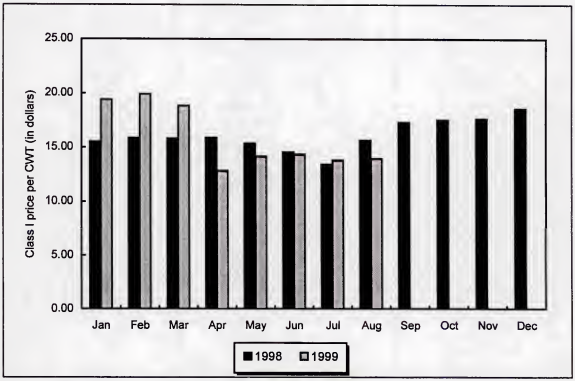
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

Month	1998	1999	Difference	% Change
January	$15.51	$19.39	$3.88	25.02%
February	$15.84	$19.89	$4.05	25.57%
March	$15.80	$18.82	$3.02	19.11%
April	$15.87	$12.82	($3.05)	-19.22%
May	$15.36	$14.17	($1.19)	-7.75%
June	$14.56	$14.36	($0.20)	-1.37%
July	$13.43	$13.81	$0.38	2.83%
August	$15.65	$13.97	($1.68)	-10.73%
September	$17.32			
October	$17.54			
November	$17.65			
December	$18.59			
Average	**$16.09**	**$15.90**	**$0.65**	**4.18%**

Prices are per hundredweight (CWT).



BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $13.97 FOR 3.5% MILK 96.5 LBS = $8.720		CLASS II SKIM PRICE BASED ON $12.59 FOR 3.5% MILK 96.5 LBS = $7.690		CLASS III SKIM PRICE BASED ON $10.74 FOR 3.5% MILK 96.5 LBS = $6.715	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	$0.08944	2.50	$0.07887	2.50	$0.06888
2.55	$0.08948	2.55	$0.07891	2.55	$0.06891
2.60	$0.08953	2.60	$0.07895	2.60	$0.06895
2.65	$0.08957	2.65	$0.07899	2.65	$0.06898
2.70	$0.08962	2.70	$0.07903	2.70	$0.06902
2.75	$0.08967	2.75	$0.07907	2.75	$0.06905
2.80	$0.08971	2.80	$0.07912	2.80	$0.06909
2.85	$0.08976	2.85	$0.07916	2.85	$0.06912
2.90	$0.08980	2.90	$0.07920	2.90	$0.06916
2.95	$0.08985	2.95	$0.07924	2.95	$0.06920
3.00	$0.08990	3.00	$0.07928	3.00	$0.06923
3.05	$0.08994	3.05	$0.07932	3.05	$0.06927
3.10	$0.08999	3.10	$0.07936	3.10	$0.06930
3.15	$0.09004	3.15	$0.07940	3.15	$0.06934
3.20	$0.09008	3.20	$0.07944	3.20	$0.06937
3.25	$0.09013	3.25	$0.07948	3.25	$0.06941
3.30	$0.09018	3.30	$0.07952	3.30	$0.06945
3.35	$0.09022	3.35	$0.07957	3.35	$0.06948
3.40	$0.09027	3.40	$0.07961	3.40	$0.06952
3.45	$0.09032	3.45	$0.07965	3.45	$0.06955
3.50	$0.09036	3.50	$0.07969	3.50	$0.06959
3.55	$0.09041	3.55	$0.07973	3.55	$0.06963
3.60	$0.09046	3.60	$0.07977	3.60	$0.06966
3.65	$0.09050	3.65	$0.07981	3.65	$0.06970
3.70	$0.09055	3.70	$0.07985	3.70	$0.06973
3.75	$0.09060	3.75	$0.07990	3.75	$0.06977
3.80	$0.09064	3.80	$0.07994	3.80	$0.06981
3.85	$0.09069	3.85	$0.07998	3.85	$0.06984
3.90	$0.09074	3.90	$0.08002	3.90	$0.06988
3.95	$0.09079	3.95	$0.08006	3.95	$0.06992
4.00	$0.09083	4.00	$0.08010	4.00	$0.06995
4.05	$0.09088	4.05	$0.08015	4.05	$0.06999
4.10	$0.09093	4.10	$0.08019	4.10	$0.07003
4.15	$0.09098	4.15	$0.08023	4.15	$0.07006
4.20	$0.09102	4.20	$0.08027	4.20	$0.07010
4.25	$0.09107	4.25	$0.08031	4.25	$0.07014
4.30	$0.09112	4.30	$0.08036	4.30	$0.07017
4.35	$0.09117	4.35	$0.08040	4.35	$0.07021
4.40	$0.09121	4.40	$0.08044	4.40	$0.07025
4.45	$0.09126	4.45	$0.08048	4.45	$0.07028
4.50	$0.09131	4.50	$0.08052	4.50	$0.07032